In the Claims:

1. (Currently Amended) Apparatus embodied in a computer for building a stochastic model of a data sequence, said data sequence comprising time related symbols selected from a finite symbol set, the apparatus comprising:

an input <u>configured</u> for receiving said data sequence, wherein said data sequence describes ongoing states of an observed process,

a tree builder, configured for expressing said data sequence as a stochastic model, said stochastic model comprising said symbols as a series of counters within nodes, each node having a counter for each symbol, each node having a position within said tree, said position expressing a symbol sequence and each counter indicating a number of its corresponding symbol which follows a symbol sequence of its respective node,

a tree reducer, <u>configured</u> for reducing said tree to an irreducible set of conditional probabilities of relationships between symbols in said input data sequence, and

a comparator configured for comparing said reduced tree with a reference tree obtained in advance of said receiving sequential data so as to determine whether there has been a statistical change between said two trees, and for outputting a result of said comparing an analysis of said monitored process in accordance with said comparing.

wherein said data sequence is selected from a group consisting of: a manufacturing process output data sequence, a cyclic operating machine data sequence, a buffer level data sequence, a seismological data sequence, a medical sensor output data sequence, a sequence of financial data, a sequence of records arriving at a database, and an image data sequence.

- 2. (Original) Apparatus according to claim 1, said tree reducer comprising a tree pruner for removing from said tree any node whose counter values are within a threshold distance of counter values of a preceding node in said tree.
- 3. (Original) Apparatus according to claim 2, wherein said threshold distance and tree construction parameters are user selectable.

- 4. (Original) The apparatus of claim 3, wherein said user selectable parameters further comprise a tree maximum depth.
- 5. (Original) The apparatus of claim 3, wherein said user selectable parameters further comprise an algorithm buffer size
- 6. (Original) The apparatus of claim 3, wherein said user selectable parameters further comprise values of pruning constants.
- 7. (Original) The apparatus of claim 3, wherein said user selectable parameters further comprise a length of input sequences.
- 8. (Original) The apparatus of claim 3 wherein, said user selectable parameters further comprise an order of input symbols.
- 9. (Original) Apparatus according to claim 2, wherein said tree reducer further comprises a path remover operable to remove any path within said tree that is a subset of another path within said tree.
- 10. (Original) Apparatus according to claim 1, wherein said sequential data is a string comprising consecutive symbols selected from a finite set.
- 11. (Currently Amended) The apparatus of claim 10, further comprising an input string permutation unit configured for carrying out permutations and reorganizations of the input string using external information about a process generating said string.

12-13. (Canceled)

14. (Currently amended) Apparatus according to claim 112, wherein said observed process comprisesing feedback.

- 15. (Currently Amended) Apparatus according to claim 1, wherein said sequential data sequence comprises a seismological data sequence, and wherein said comparator is configured for providing said comparison result as a forecast of seismological activity.
- 16. (Currently Amended) Apparatus according to claim 1, wherein said sequential-data sequence comprises is an output of a medical sensor output data sequencesensing bodily functions, and wherein said apparatus is further configured for monitoring a selected bodily function.
- 17. (Currently amended) Apparatus according to claim 16, wherein said medical sensor output data comprises visual image data and said medical sensor is a medical imaging device.

18. (Canceled)

- 19. (Currently Amended) Apparatus embodied in a computer for determining statistical consistency in time sequential data, the apparatus comprising a sequence input configured for receiving sequential data, wherein said data
- a sequence input <u>configured</u> for receiving sequential data, wherein said data sequence describes ongoing states of an observed process,
- a stochastic modeler <u>configured</u> for producing at least one stochastic model from at least part of said sequential data,

and a comparator <u>configured</u> for comparing said sequential stochastic model with a reference model obtained in advance of said receiving sequential data so <u>as</u> to determine whether there has been a statistical change in said model, and for outputting a result of said comparing an analysis of said monitored process in accordance with said comparing.

wherein said data sequence is selected from a group consisting of: a manufacturing process output data sequence, a cyclic operating machine data sequence, a buffer level data sequence, a seismological data sequence, a medical sensor output data sequence, a sequence of financial data, a sequence of records arriving at a database, and an image data sequence

20. (Currently Amended) Apparatus according to claim 19, wherein said stochastic modeler comprises:

a tree builder <u>configured</u> for expressing said symbols as a series of counters within nodes, each node having a counter for each symbol, each node having a position within said tree, said position expressing a symbol sequence and each counter indicating a number of its corresponding symbol which follows a symbol sequence of its respective node, and

a tree reducer <u>configured</u> for reducing said tree to an irreducible set of conditional probabilities of relationships between symbols in said input data sequence.

- 21. (Previously Presented) Apparatus according to claim 19, said reference model being a model constructed using another part of said time-sequential data.
- 22. (Currently Amended) Apparatus according to claim 19, said comparator comprising a statistical processor <u>configured</u> for determining a statistical distance between said stochastic model and said reference model.
- 23. (Original) Apparatus according to claim 22, said statistical distance being a KL statistic.
- 24. (Original) Apparatus according to claim 22, said statistical distance being a relative complexity measure.
- 25. (Original) Apparatus according to claim 22, wherein said statistical distance comprises an SPRT statistic.
- 26. (Original) Apparatus according to claim 22, wherein said statistical distance comprises an MDL statistic.
- 27. (Original) Apparatus according to claim 22, wherein said statistical distance comprises a Multinomial goodness of fit statistic.

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- 28. (Original) Apparatus according to claim 22, wherein said statistical distance comprises a Weinberger Statistic.
- 29. (Currently Amended) Apparatus according to claim 20, said tree reducer comprising a tree pruner configured for removing from said tree any node whose counter values are within a threshold distance of counter values of a preceding node in said tree.
- 30. (Original) Apparatus according to claim 29, wherein said threshold distance is user selectable.
- 31. (Original) The apparatus of claim 30, wherein user selectable parameters further comprise a tree maximum depth.
- 32. (Original) The apparatus of claim 30, wherein user selectable parameters further comprise an algorithm buffer size.
- 33. (Original) The apparatus of claim 30, wherein user selectable parameters further comprise values of pruning constants.
- 34. (Original) The apparatus of claim 30, wherein user selectable parameters further comprise a length of input sequences.
- 35. (Original) The apparatus of claim 30, wherein user selectable parameters further comprise an order of input symbols.
- 36. (Original) Apparatus according to claim 29, wherein said tree reducer further comprises a path remover operable to remove any path within said tree that is a subset of another path within said tree.
- 37. (Original) Apparatus according to claim 19, wherein said sequential data is a string comprising consecutive symbols selected from a finite set.

- 38. (Currently Amended) The apparatus of claim 37, further comprising an input string permutation unit <u>configured</u> for carrying out permutations and reorganizations of said sequential data using external information about a process generating said data.
 - 39. (Canceled).
- 40. (Currently amended) Apparatus according to claim 3919, wherein said observed process comprisesing feedback.
- 41. (Currently amended) Apparatus according to claim 19, wherein said sequential-data sequence comprises a seismological data sequence, and wherein said comparator is configured for providing said comparison result as a forecast of seismological activity.
- 42. (Currently amended) Apparatus according to claim 19, wherein said sequential data sequence comprises is an output of a medical sensor output data sequencesensing bodily functions, and wherein said apparatus is further configured for monitoring a selected bodily function.
 - 43. (Canceled)
- 44. (Currently Amended) Apparatus according to claim 22, wherein said data sequence comprises indications of a process state, the apparatus further comprising a process analyzer configured for using said statistical distance measure as an indication of behavior of said process.
- 45. (Currently Amended) Apparatus according to claim 22, wherein said data sequence comprises indications of a process state, the apparatus further comprising a process controller <u>configured</u> for using said statistical distance measure as an indication of behavior of said process, thereby to control said process.

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- 46. (Original) Apparatus according to claim 23, wherein said data sequence comprises multi-input single output data.
- 47. (Currently Amended) Apparatus according to claim 1922, wherein said data sequence comprises a sequence of financial data, behavior patterns and wherein said comparator is configured for providing said comparison result as a forecast of financial behavior.
- 48. (Currently Amended) Apparatus according to claim 1922, wherein said data sequence comprises a time sequential image data sequences, and wherein said comparator is configured for providing said comparison result as an identification of features of interest in an image data-said model being usable to determine a statistical distance therebetween.
- 49. (Original) Apparatus according to claim 48, said image data comprising medical imaging data, said statistical distance being indicative of deviations of said data from an expected norm.
- 50. (Currently Amended) Apparatus according to claim 1922, wherein said data sequence comprises a sequence of records arriving atapplicable to a database, and wherein said comparator is configured to perform data mining on said database.
- 51. (Currently Amended) A computer implementing a method for building a stochastic model of a data sequence, said data sequence comprising time related symbols selected from a finite symbol set, the method comprising:

receiving said data sequence, wherein said data sequence describes ongoing states of an observed process,

expressing said symbols as a series of counters within nodes, each node having a counter for each symbol, each node having a position within said tree, said position expressing a symbol sequence and each counter indicating a number of its corresponding symbol which follows a symbol sequence of its respective node,

reducing said tree to an irreducible set of conditional probabilities of relationships between symbols in said input data sequence, thereby to generate a stochastic model of said sequence, and

comparing said stochastic model with a previously obtained reference model so as to determine if there has been a statistical change between the two models, and for outputting a result of an analysis of said monitored process in accordance with said comparing.

wherein said data sequence comprises one of a group consisting of; a manufacturing process output data sequence, a cyclic operating machine data sequence, a buffer level data sequence, a seismological data sequence, a medical sensor output data sequence, a sequence of financial data, a sequence of records arriving at a database, and an image data sequence.

- 52. (Previously Presented) The apparatus of claim 1, wherein said tree reducer is further configured to update said reference tree according to data in said reduced tree.
- 53. (Previously Presented) The apparatus of claim 1, wherein said trees represent non-homogeneous data.
- 54. (Previously Presented) The apparatus of claim 19, wherein said stochastic modeler is further configured to update said reference model according to data in said stochastic model.
- 55. (Previously Presented) The apparatus of claim 19, wherein said models represent non-homogeneous data.
- 56. (Previously Presented) The apparatus of claim 51, wherein said method further includes updating said reference model according to data in said stochastic model.
- 57. (Previously Presented) The method of claim 51, wherein said models represent non-homogeneous data.

- 58. (Previously Presented) Apparatus according to claim 1, further comprising an observation unit configured for generating said data sequence from measurements of one or more tangible objects.
- 59. (Previously Presented) Apparatus according to claim 19, further comprising an observation unit configured for generating said data sequence from measurements of one or more tangible objects.
- 60. (Previously Presented) Apparatus according to claim 1, wherein said method further comprises generating said data sequence from measurements of one or more tangible objects.
- 61. (New) Apparatus according to claim 1, wherein said comparison result is provided as a control chart.
- 62. (New) Apparatus according to claim 1, wherein said data sequence comprises a sequence of records arriving at a database, and wherein said comparator is configured for providing said comparison result as an identification of changes in a source generating said records.
- 63. (New) Apparatus according to claim 1, wherein said data sequence comprises a sequence of records arriving at a database, and wherein said comparator is configured to perform data mining on said database.